DEC 8 - 2003

No. 03-409

IN THE

Supreme Court of the United States

KP PERMANENT MAKE-UP, INC.,

Petitioner,

v.

LASTING IMPRESSIONS I, INC. and
MCN INTERNATIONAL, INC.,

Respondents.

ON PETITION FOR A WRIT OF CERTIORARI TO THE
UNITED STATES COURT OF APPEALS FOR THE NINTH CIRCUIT

BRIEF IN OPPOSITION

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STATEMENT PURSUANT TO RULE 29.6

Neither Respondent has a parent corporation and no publicly held company owns 10% or more of either corporations' stock.*

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* Lasting Impressions I, Inc. is erroneously sued herein as Lasting Impressions, Inc.

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I.

REASONS FOR DENYING THE PETITION

The sole question presented by the Petition is whether the application of the fair use doctrine as a defense to a claim of infringement of an incontestable trademark requires the party asserting the doctrine to also establish an absence of likelihood of confusion. Pet. at 1. This issue need not be addressed by this Court in the context of this case.

First, the application of the "fair use" doctrine is inapplicable to this case. The subject mark, MicroColors®, is neither generic, nor descriptive. At worst, the mark is suggestive. The doctrine of "fair use" is inapplicable to a mark which is either suggestive, or arbitrary/fanciful. Until there is a determination that mark "MicroColors®" is descriptive, the doctrine of fair use is inapplicable.

Second, the alleged harm due to a split amongst the Circuits is fictional because the overwhelming majority of the Circuits apply the same standard as the Ninth Circuit. Only the Second Circuit applies the "fair use" doctrine without considering the issue of likelihood of confusion.

The Ninth Circuit ruling was proper in all respects and Respondents respectfully urge this Honorable Court to deny the Petition for Writ of Certiorari.

II.

FACTS IN DISPUTE

Petitioner disingenuously alleges that the basic facts of this case are undisputed. Pet. at 2. Specifically, Petitioner informs the Court that it "has been using the term microcolor to describe its selection of pigment colors since 1990 on flyers, and since 1991 on pigment bottles." *Id.* Petitioner is wrong! This fact has not been adjudicated by either the district court or the Ninth Circuit.

The existence or non-existence of this fact has a direct impact upon the issue of "fair use." Specifically, if Petitioner cannot establish an earlier use than Respondents' use as a trademark, Petitioner cannot claim the mark MicroColors® is descriptive. If MicroColors® is neither descriptive nor generic, the doctrine of fair use is inapplicable.

III.

THE FAIR USE DOCTRINE IS INAPPLICABLE TO THIS CASE

Petitioner alleges that its use of Respondents' incontestable trademark is permissible pursuant to Section 1115(b)(4) of Title 15 of the United States Code. As a threshold matter, Respondent must first establish that Respondent's mark is descriptive[1] before the doctrine of fair

1. A mark is "descriptive" if it identifies: the intended purpose, function or use of the goods, a desirable characteristic of the good, the nature of the goods, or the end effect upon the user. *McCarthy, McCarthy on Trademarks and Unfair Competition* § 11.05[2][a] (1997).

use may be applied. *See McCarthy, McCarthy on Trademarks and Unfair Competition* § 11.17. In 1924, this Court undertook that examination as a threshold matter before rendering a decision of non-infringement. *William R. Warner & Co. v. Eli Lilly & Co.*, 265 U.S. 526, 44 S. Ct. 615, 68 L. Ed. 1161 (1924).

The mark in question in *William R. Warner & Co., supra*, was "Coco-Quinine" used in connection with a chocolate flavored quinine liquid medicine. Plaintiff in that case attempted to enjoin defendant from using the mark Quin-Coco to identify its chocolate flavored quinine medicine. The Court found that the mark "Coco-Quinine" was merely descriptive thus there was no infringement. 265 U.S. at 616. Petitioner erroneously contends if the Lanham Act had been in effect at this time the fair use defense would not have been applicable because Defendant was using the name of its medicinal concoction as a trademark that was confusingly similar to the brand name used by Plaintiff. Pet. at 9. Petitioner's theoretical leap is unsupported by the decision rendered by the Court. The only reason Defendant was enjoined from using the mark "Quin-Coco" was because Defendant's sales agents induced pharmacists to substitute Defendant's cheaper product in lieu of Plaintiff's product, and that such inducement was predicated upon the similarity of the two formulations and trademarks. Consequently, has Defendant not engage in such unfair and inequitable conduct which result in confusion, Defendant would have been permitted to continue using the mark "Quin-Coco" because the mark "Coco Quinine" was descriptive.

Here, the Ninth Circuit unequivocally determined the mark MicroColors® is not generic. *KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc.*, 328 F.3d 1061, 1070

(9th Cir. 2003) ("A reasonably minded jury could not conclude from the evidence produced that "micro colors" is a generic term."). Petitioner does not dispute this holding.

The Ninth Circuit further held the mark "micro colors" is not descriptive. *Id.* at 1071. In support of this determination, one may look to any dictionary. Specifically, the most current version of *Webster's Dictionary* is devoid of any definition for the terms "micro color," "micro colors," "microcolor" or "microcolors." *See Merriam-Webster's Collegiate® Dictionary* (11th ed. 2003). In the absence of any recognized definition in the English language, the term cannot be descriptive. This holding Petitioner obviously disputes by filing the instant petition.

The doctrine of fair use only permits a junior trademark user to use a trademark which is "descriptive." 15 U.S.C. § 1115(b)(4); *see also McCarthy*, *supra*, § 11.17[1] (1997). There is no evidence that the mark MicroColors® is descriptive. Petitioner has presented no evidence of descriptiveness, 328 F.3d at 1071, and the term is not recognized in the English language. Therefore the mark MicroColors® is either arbitrary/fanciful,[2] or at worst suggestive[3]. Because the mark MicroColors® is either

2. Fanciful marks consisted of "coined" words that have been invented or selected for the sole purpose of functioning as a trademark, e.g., Kodak®. *Tisch Hotels, Inc. v. American Inn, Inc.*, 350 F.2d 609 (7th Cir. 1965). Arbitrary marks comprise those words, symbols, pictures, etc. that are in common linguistic use but which, when used with the goods or services in issue, neither suggest nor describe any ingredient, quality or characteristic of those goods or services. *Id.*

3. A mark which merely suggests rather than describes some quality or ingredient of the good, and requires the consumer to (Cont'd)

arbitrary, fanciful or suggestive, the doctrine of fair use is inapplicable here.

The mark "microcolor" used by Petitioner is not necessary for describing the actual product. The proper name for the relevant product is known as either "permanent make-up" or "micropigmentation." *KP Permanent*, *supra*, 328 F.3d at 1065.[4] Specific to the industry, the subject product is a tatooing ink used in the trade of permanent make-up. MicroColors® does not describe the subject product with respect to its intended purpose, function or use of the goods, a desirable characteristic of the good, the nature of the goods, or the end effect upon the user. The mark "micro colors" could just easily be applied to a color computer printer or color photocopier without describing the product thus making the mark protectable suggestive trademark because it requires the consumer to exercise his or her imagination to reach a conclusion as to the nature of the goods bearing the mark.

Therefore, identification of the proper test for the application of the "fair use" doctrine should not be addressed by this Honorable Court with respect to this case until it is determined that the doctrine is truly applicable, i.e., the mark MicroColors® is a descriptive mark.

(Cont'd)
exercise his imagination to reach a conclusion as the nature of the goods. *Vision Center v. Optiks, Inc.*, 596 F.2d 111, 115-16 (5th Cir. 1979), *cert denied*, 444 U.S. 1016 (1980); *see also McCarthy, supra* at § 11.20[1].

4. In its brief to the Ninth Circuit, Petitioner also referred to the product as "micropigmentation color."

IV.

THE DECISION RENDERED BY THE NINTH CIRCUIT COMPORTS WITH THE OVERWHELMING MAJORITY OF THE REMAINING CIRCUITS

Petitioner claims in support of its Petition for Writ of Certiorari that there is a split amongst the Circuits. This alleged split is not a split at all but rather one renegade Circuit applying its own standard for the determination of "fair use." The Second Circuit is the lone Circuit not to consider the factor of "likelihood of confusion" when assessing whether a junior trademark user has infringed a valid incontestable trademark. *Cosmetically Sealed Indus., Inc. v. Chesebrough-Pond's USA, Co.*, 125 F.3d 28 (2d Cir. 1997). In contrast, the Ninth Circuit in the matter under consideration applied the "fair use" standard recognized by the overwhelming majority of federal circuits courts and this Court.

The First Circuit recognized that in the absence of likelihood of confusion, a junior trademark user may properly use a descriptive trademark to describe its product. *Leathersmith of London, Ltd. v. Alleyn*, 609 F.2d 27 (1st Cir. 1982), *cert. denied*, 459 U.S. 1209 (1983). In *Leathersmith*, the First Circuit was asked to determine if the incorporation of "leathersmith" in Defendant's name, Tantulus Custom Leathersmith and Bookbinders, was an infringement of Plaintiff's trademark Leathersmith®. The Court concluded that there was no infringement but Defendant's use was fair because "[t]here is no likelihood of confusion or mistake as to the source of the origins of Alleyn's goods." 609 F.2d at 29.

The Fourth Circuit likewise applies the standard of likelihood of confusion when addressing the defense of fair use. *Shakespeare Co. v. Silstar Corp. of Am., Inc.*, 110 F.3d 234 (4th Cir. 1997), *cert. denied*, 522 U.S. 1046 (1998). Defendant manufactured a fishing rod which duplicated the color scheme of Plaintiff's fishing rod. Defendants' duplication was the result of Defendants' use of the same materials which comprised Plaintiff's rod to achieve the same utility based upon these materials. The Fourth Circuit found that in the absence of confusion, Defendant's use of the same color scheme was fair use because "likelihood of confusion is an essential element of an infringement claim." 110 F.3d at 238. Thus, in the absence of proof of likelihood of confusion, infringement cannot subsist thus classifying the use as fair.

In conformity with its sister circuits, the Fifth Circuit requires the existence of "likelihood of confusion" to defeat a claim of fair use. *Soweco, Inc. v. Shell Oil Co.*, 617 F.2d 1178, 1186, 1187 (5th Cir. 1980), *cert. denied*, 450 U.S. 981 (1981). The Fifth Circuit was requested to determine if the incontestable mark Larvacide® was descriptive, and whether Defendant could permissibly incorporate the term in its pesticides: "Shell® Poultry Spray & Larvacide" and "Rabon® Oral Larvacide." The Fifth Circuit found Defendant's use of the mark Larvacide® to be descriptive of the intended result of its pesticide, and not a confusing with the source of Plaintiff's product. *Id.* at 1189 ("The jury found that Shell used each of the product names . . . 'as a word combination . . . to identify its goods and to distinguish it from those manufactured by another,'" i.e., no confusion between Shell and its competitors, including Plaintiff). This application was affirmed in the later decision of *Zatarains, Inc. v. Oak Grove Smokehouse, Inc.*, 698 F.2d 786 (5th Cir.

1983) ("[Defendants] are still free to use the words "fish fry" in their ordinary, descriptive sense, so long as such use will not tend to confuse customers as to the source of the goods." (Emphasis added)).

The Seventh Circuit in *Sunmark, Inc. v. Ocean Spray Cranberries, Inc.*, 64 F.3d 1055 (7th Cir. 1995), found the factor of "likelihood of confusion" to be applicable when assessing the fairness of the use of a descriptive trademark on a competing product. The case presented to the Seventh Circuit involved the use of the phrase "sweet-tart" by Defendant in an advertising campaign for its cranberry juice drink. Plaintiff alleged infringement of its incontestable trademark SweeTARTS® which was used on candy. The Seventh Circuit found, without taking analyzing likelihood of confusion, that Defendant's use was fair because such use appeared in connection with on a wholly different product. However, the Seventh Circuit stated *in dicta*: "If [Defendant] were to advertise its candy as "sweet-tart"—or if there were evidence, . . . that consumers have become confused about the source of [Defendant's candies]—Plaintiff would have a strong claim for [injunctive] relief. . ." 64 F.3d at 1060. In sum, the Seventh Circuit applies the likelihood of confusion standard when mark is applied with respect to similar competing products which is the case here.

The factor of "likelihood of confusion" rightfully cannot be ignored when evaluating the merit of a "fair use defense" because liability under the Lanham Act for trademark infringement is predicated on use of a registered trademark that is "likely to cause confusion." 15 U.S.C. § 1114(1)(a). Moreover, dispute between the parties regarding the use of "micro colors" is in regard to identical competing products.

To ignore the likelihood of confusion standard would result in the complete evisceration of the infringement standard pursuant to Section 1114(a)(a) of the Lanham Act.

Only the Second Circuit believes it is proper to ignore the factor of likelihood of confusion when addressing the applicability of the fair use defense. *Cosmetically Sealed, supra*. The Second Circuit uniquely believes there is justification for ignoring the likelihood of confusion standard simply because the trademark holder selected a mark which is descriptive. This thought process is draconian based upon its effective evisceration of a trademark holders rights gained as a result of five years of continuous use without an adverse judicial determination, i.e., constestability.

As explained above, the Ninth Circuit as well as the remainder of the Circuits, with the exception of the Second Circuit, properly apply the "likelihood of confusion" factor in conjunction with the doctrine of fair use. The decision under consideration by this Court comports with the overwhelming majority of Circuits deciding the issue. Consequently, no harm exists requiring this Court to correct an error of law based upon the misapplication of the "fair use" doctrine.

V.

CONCLUSION

For the foregoing reasons, Respondents, Lasting Impression I, Inc. and MCN International, Inc., request that this Honorable Court deny this Petition for Certiorari.

Respectfully submitted,

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